



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

HEALTH AFFAIRS

BEFORE THE OFFICE, ASSISTANT SECRETARY
OF DEFENSE (HEALTH AFFAIRS)
UNITED STATES DEPARTMENT OF DEFENSE

MAR 29 1983

Appeal of)	
)	OASD(HA) File 79-10
Sponsor:)	
)	FINAL DECISION
SSN:)	

This is the FINAL DECISION of the Assistant Secretary of Defense (Health Affairs) in the CHAMPUS Appeal OASD(HA) Case File 79-10 pursuant to 10 U.S.C 1071-1089 and DoD 6010.8-R, chapter X. The appealing party in this case is the beneficiary, represented by the sponsor. The hearing file of record, the tapes or oral testimony presented at the hearing, the Hearing Officer's Revised Recommended Decision and the Analysis and Recommendation of the Director, OCHAMPUS have been reviewed. The amount in dispute is approximately \$1,076.50 in hospital charges. It is the Hearing Officer's recommendation that CHAMPUS coverage for inpatient care for alcoholism in excess of 21 days be denied as the documentation in the record does not support the medical necessity of the remaining sixteen days of care. The Director, OCHAMPUS concurs in the Recommended Decision and recommends its adoption as the FINAL DECISION of the Acting Assistant Secretary of Defense (Health Affairs).

The Acting Assistant Secretary of Defense (Health Affairs) after due consideration of the appeal record, concurs in the recommendation of the Hearing Officer to deny CHAMPUS payment and hereby adopts the recommendation of the Hearing Officer as the FINAL DECISION.

The FINAL DECISION of the Acting Assistant Secretary of Defense (Health Affairs) is therefore to approve CHAMPUS coverage for inpatient care for alcoholism from October 13 through November 7, 1977, and to deny coverage from November 8 through November 24, 1977. The decision to deny coverage of inpatient care for alcoholism in excess of 21 days is based on the findings that such care was not medically necessary and above the appropriate level of care.

FACTUAL BACKGROUND

The beneficiary was admitted to [redacted] on October 18, 1977, with a diagnosis of "alcoholism by history." According to testimony of the beneficiary's spouse, the beneficiary was taken to the hospital after he found her unconscious and intoxicated on the bathroom floor. The hospital records reveal the beneficiary, on admission, was very intoxicated and somewhat tremorous. Physical examination was essentially negative; the beneficiary was noted to be without jaundice or liver enlargement. An abnormal blood pressure reading was recorded, but hospital records show the reading returned to normal early in the confinement.

The admission summary notes the 34 year old beneficiary reported a history of alcohol abuse for nineteen years. She also reported a history of "binge drinking" lasting four to five days, once or twice per month. Blackouts and morning "shakes" were reported. The beneficiary denied delirium tremers, hallucinations or convulsions. She was previously hospitalized for depression and drinking problems in 1973 and 1976. She had been attending Alcoholics Anonymous since October 1976 but admitted not adhering to the program. The beneficiary also reported receiving outpatient psychotherapy for one year following the 1976 hospitalization.

The beneficiary was admitted to the detoxification unit and received routine detoxification care. No physical complications were recorded during detoxification. The medical records reveal she was transferred to the ward on October 19, 1977. Psychological testing was performed on two occasions during the inpatient stay. Results of the first test report the beneficiary to be angry, lacking in good insight and able to project blame and responsibility for her behavior onto others. She was reported to be more open with others with some gain in insight but with little indication of significant growth in personality following the second test. The beneficiary received Librium during detoxification, discontinued thereafter; Dilantin 100 mg. was given through thirteen days of the inpatient stay. No medications were rendered after the thirteenth day.

Hospital records indicate the beneficiary was actually introduced to the elements of the rehabilitation phase on October 19, 1977. Although apparently fearful, she was described in the progress and counselor's notes as "pleasant", "cooperative with treatment", "cheerful and outgoing." The progress and counselor's notes are very brief and contain very little information on the actual treatment provided. The medical records reveal she participated in group therapy and a family conference. While the record does not include an individualized treatment plan, the facility did provide a description of the program, presumably applied to the beneficiary herein, consisting

of individual and group counseling, lectures, readings, films and Alcoholics Anonymous meetings. She apparently progressed slowly but steadily through the five phases of treatment without regression. She was reported to be eating and sleeping well at the end of the first week. Individual therapy apparently ceased after two weeks. No physical complications were recorded during the entire confinement. The discharge summary notes successful completion of the program. She was discharged on November 24, 1977, the thirty-seventh day of inpatient care.

A participating CHAMPUS claim in the amount of \$2,561 was filed by the facility. The CHAMPUS fiscal intermediary for Nebraska, Mutual of Omaha Insurance Company, issued payment of \$1,418.90 for twenty-one days of inpatient care. Informal Review and Reconsideration by the fiscal intermediary affirmed the denial of the remaining sixteen inpatient days based on the regulatory norm of twenty-one days for inpatient treatment of alcoholism.

The beneficiary appealed to OCHAMPUS. The OCHAMPUS First Level Appeal Decision affirmed the initial determination and fiscal intermediary appeal reviews allowing twenty-one days of inpatient care and denying the last sixteen days. The basis of this determination was the the medical necessity of care beyond the normal limit of twenty-one days under Department of Defense Regulation 6010.8-R was not documented. While the sponsor asserted the beneficiary was also admitted for drug abuse and alcoholism, OCHAMPUS found no evidence in the medical records of complaints or treatment of drug abuse.

The beneficiary appealed and requested a hearing which was held in Boston, Massachusetts on April 23, 1979 by Hearing Officer. The Hearing Officer submitted her Recommended Decision recommending the OCHAMPUS determination be upheld. The Director, OCHAMPUS concurred in the Recommended Decision. The Office of the Assistant Secretary of Defense (Health Affairs) reviewed the appeal and determined the record was insufficient on which to reach a substantive decision. The Principal Deputy Assistant Secretary of Defense (Health Affairs) remanded the appeal to the Hearing Officer for issuance of a revised Recommended Decision following additional attempts by OCHAMPUS to obtain complete and detailed medical records from the facility and medical review under the CHAMPUS/American Psychiatric Association Peer Review project. While the burden of proof rests with the claimant to submit medical information in support of a CHAMPUS claim, the case was remanded for further hearing in an effort to avoid a FINAL DECISION based on a lack of available information.

In accordance with the REMAND ORDER, the Hearing Officer conducted a second hearing on July 23, 1980. The beneficiary and her sponsor declined to appear. The Hearing Officer has issued her Revised Recommended Decision. All prior levels of

administrative appeal have been exhausted and issuance of a FINAL DECISION is proper.

ISSUES AND FINDINGS OF FACT

The primary issues in this appeal are whether the inpatient hospitalization for treatment of alcoholism beyond twenty-one days was (1) medically necessary and (2) was the appropriate level of care for the treatment of alcoholism?

Medically Necessary

Under the CHAMPUS regulation, DoD 6010.8-R, chapter IV, A.1., the CHAMPUS Basic Program will cost-share medically necessary services and supplies required in the diagnosis and treatment of illness or injury, subject to all applicable limitations and exclusions. Services which are not medically necessary are specifically excluded under DoD 6010.8-R, chapter IV, G.1. Under chapter II, B.104, medically necessary is defined as:

"...the level of services and supplies (that is, frequency, extent, and kinds) adequate for the diagnosis and treatment of illness or injury..."

This general concept of "medically necessary" is further defined in relation to the extent of CHAMPUS coverage of inpatient care for alcoholism by DoD 6010.8-R, chapter IV, E.4., as follows:

"4. Alcoholism. Inpatient hospital stays may be required for detoxification services during acute stages of alcoholism when the patient is suffering from delirium, confusion, trauma, unconsciousness and severe malnutrition, and is no longer able to function. During such acute periods of detoxification and physical stabilization (i.e., "drying out") of the alcoholic patient, it is generally accepted that there can be a need for medical management of the patient, i.e., there is a probability that medical complications will occur during alcohol withdrawal, necessitating the constant availability of physicians and/or complex medical equipment found only in a hospital setting. Therefore, inpatient hospital care, during such acute periods and under such conditions, is considered reasonable and medically necessary for the treatment of the alcoholic patient and thus covered under CHAMPUS. Active medical treatment of the acute phase of alcoholic withdrawal and the

stabilization period usually takes from three (3) to seven (7) days.

"a. Rehabilitative Phase. An inpatient stay for alcoholism (either in a hospital or through transfer to another type of authorized institution) may continue beyond the three (3) to seven (7) day period, moving into the rehabilitative program phase. Each such case will be reviewed on its own merits to determine whether an inpatient setting continues to be required.

"EXAMPLE"

"If a continued inpatient rehabilitative stay primarily involves administration of antabuse therapy and the patient has no serious physical complications otherwise requiring an inpatient stay, the inpatient environment would not be considered necessary and therefore benefits could not be extended.

"b. Repeated Rehabilitative Stays: Limited to Three (3) Episodes. Even if a case is determined to be appropriately continued on an inpatient basis, repeated rehabilitative stays will be limited to three (3) episodes (lifetime maximum); and any further rehabilitative stays are not eligible for benefits. However, inpatient stays for acute stage of alcoholism requiring detoxification/stabilization will continue to be covered. When the inpatient hospital setting is medically required, a combined program of detoxification/stabilization and rehabilitation will normally not be approved for more than a maximum of three (3) weeks per episode.

"c. Outpatient Psychiatric Treatment Programs. Otherwise medically necessary covered services related to outpatient psychiatric treatment programs for alcoholism are covered and continue to be covered even though benefits are not available for further inpatient rehabilitative episodes, subject to the same psychotherapy review guidelines as other diagnoses."

Therefore, under the CHAMPUS regulation in effect at the time of care in this case, coverage of inpatient treatment of alcoholism consists of a detoxification phase followed by a rehabilitation

phase. The combined program will not normally be approved for more than a maximum of three weeks per episode. The alcoholism provision specifically notes inpatient care for alcoholism during acute period is considered reasonable and medically necessary because of the "... probability that medical complications will occur during alcohol withdrawal necessitating the constant availability of physicians and/or complex medical equipment (emphasis supplied)." Inpatient care may continue into the rehabilitative phase; however, as this office has determined in prior FINAL DECISIONS OASD(HA) 02-80 and 80-04, it is the presence of severe medical effects of alcohol that qualify the rehabilitative phase to be conducted on an inpatient basis. Therefore, to extend CHAMPUS coverage for inpatient care beyond twenty-one days, the specified Regulation norm, the hospitalization must be necessary for treatment of medical complications associated with alcohol withdrawal.

The medical records in this appeal reveal no physical complications were encountered during the inpatient stay. An abnormal blood pressure reading was corrected early in the hospitalization. No medications were administered after the thirteenth day; therefore, none were administered during the period in issue in this appeal. The available records, although limited, reveal the beneficiary proceeded unremarkably and routinely through rehabilitation; however, the medical records do not indicate what treatment the beneficiary received during the last sixteen days of her confinement. Presumably, she continued a standardized program of lectures, films, AA meetings, reading and group participation. Individual therapy ceased prior to the period in issue. None of these activities automatically require an inpatient setting. The medical records give no indication a structured hospital environment involving the use of complex medical equipment or skilled medical personnel continued to be required after twenty-one days.

Pursuant to the REMAND ORDER, OCHAMPUS obtained a medical review by a psychiatrist associated with the American Psychiatric Association. In the opinion of the reviewing physician, the medical records contain no recorded basis for the medical necessity of the inpatient care beyond twenty-one days and that the beneficiary could have received outpatient care after the twenty-first day. The reviewer commented specifically regarding the absence of an individual treatment plan and the inadequacy of the documentation stating:

"I have no way of knowing what was carried out under the name of Alcohol Rehabilitation. The records are really fragmentary in that area."

The beneficiary and sponsor contend the inpatient care also treated drug abuse. Review of the medical records do not support this contention. The admission summary reports the beneficiary

denied any significant pill history and minor or major tranquilizer abuse. The medical reviewer found no evidence of any drug addiction in the record: OCHAMPUS attempted to obtain medical records of the beneficiary pertaining to previous hospitalizations at military facilities wherein the beneficiary and spouse claimed the beneficiary received treatment for a combination of drug and alcohol dependency. Neither facility, nor the National Personnel Records Center could locate records on the beneficiary's treatment. From the record, I must conclude drug related problems were not the subject of treatment in the hospitalization herein.

The beneficiary also contended at the hearing that she could be discharged only with staff approval and that the facility had no set time for discharge. Statements from the facility reveal an average length of stay from 28 to 56 days and that apparently the facility does not discharge a patient until all staff members approve based on progress through the treatment program. I do not question the program's requirements; however, it would appear reasonable for the staff to record those medical factors, conditions and judgements that the staff believes necessitated continued inpatient rather than outpatient care. In this appeal, the medical records are essentially silent concerning such justification.

The Hearing Officer found an inpatient setting was required from October 18, 1977 to November 3, 1977 for detoxification, stabilization and rehabilitation. I concur in this finding. The evidence of record established the beneficiary met the requirements for inpatient detoxification during an acute stage of alcoholism. The beneficiary was found unconscious by her husband prior to the admission. Under the above cited authorities, medical management of the beneficiary on an inpatient basis is a covered benefit.

A combined program of detoxification and rehabilitation can be approved for a normal maximum of three weeks per episode. The Hearing Officer found an inpatient setting for twenty-one days was required. I concur in this determination although the hospital record contains only minimal support for any inpatient rehabilitation.

Finally, the Hearing Officer concluded the documentation does not support the medical necessity for inpatient care from November 3, 1977 through November 24, 1977. Again, I concur in this finding. The medical records record no physical complications during the last sixteen days of inpatient care. No justifications for the continued inpatient setting have been offered by the facility other than the general information concerning the program. The record further fails to document what, if any, treatment the beneficiary received during November 3 through November 24, 1977. Medical review by a psychiatrist lends no support to the continued care. The absence of an individualized treatment plan

for the beneficiary leads to the conclusion the facility's program is established for a certain minimum period without regard to the beneficiary's particular requirements for an inpatient setting.

Therefore, I must conclude the inpatient setting from November 3 through November 24, 1977 does not meet the requirements of DoD 6010.8-R and previous decisions of this office. I adopt the Hearing Officer's Recommended Decision to affirm cost-sharing of the hospitalization from October 18 through November 7, 1977 and to deny cost-sharing from November 3 through November 24, 1977 as the record in this appeal does not document the medical necessity of the inpatient setting beyond twenty-one days.

Appropriate Level of Care

Under DoD 6010.8-R, chapter IV, B.1.g., the level of institutional care authorized under the CHAMPUS Basic Program is limited to the appropriate level required to provide the medically necessary treatment. Services and supplies related to inpatient stays above the appropriate level required to provide necessary medical care are excluded from CHAMPUS.

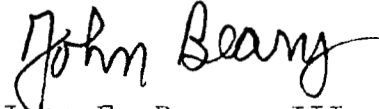
The Hearing Officer found the beneficiary could have received outpatient care after the twenty-first day. Medical review supports this conclusion. The beneficiary had no physical complications during the period in issue and the medical records contain little information on exactly what care was furnished during November 3 through November 24, 1977. No evidence has been furnished by the appealing party that the type of care listed in the facility's general treatment program could not have been furnished on an outpatient basis. From my review of the available documentation, I see no services that could not have been provided on an outpatient basis.

In view of the above, I adopt the Hearing Officer's finding that inpatient care beyond twenty-one days was not medically necessary and could have been provided on an outpatient basis. Therefore, the inpatient care beyond twenty-one days was above the appropriate level of care and excluded from coverage under CHAMPUS.

SUMMARY

In summary, it is the FINAL DECISION of the Acting Assistant Secretary of Defense (Health Affairs) that the inpatient care from October 18 through November 7, 1977 was medically necessary and met CHAMPUS criteria for coverage as inpatient treatment of alcoholism. I further find the inpatient care from November 8 through November 24, 1977 was (1) not medically necessary as there was no physical complications associated with alcohol withdrawal that required inpatient treatment, and (2) above the appropriate level of care required for the treatment of

alcoholism as care could have been provided at a lower level of care or on an outpatient basis. Therefore, the inpatient care from November 8 through November 24, 1977 is not covered under CHAMPUS. Issuance of this FINAL DECISION completes the administrative appeals process under DoD 6010.8-R, chapter X, and no further administrative appeal is available.



John F. Beary, III, M.D.
Acting Assistant Secretary